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# WEEKLY SUMMARY

State Dept. review completed

## CENTRAL INTELLIGENCE AGENCY DIRECTORATE OF INTELLIGENCE

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(Information as of noon EDT, 25 August 1966)

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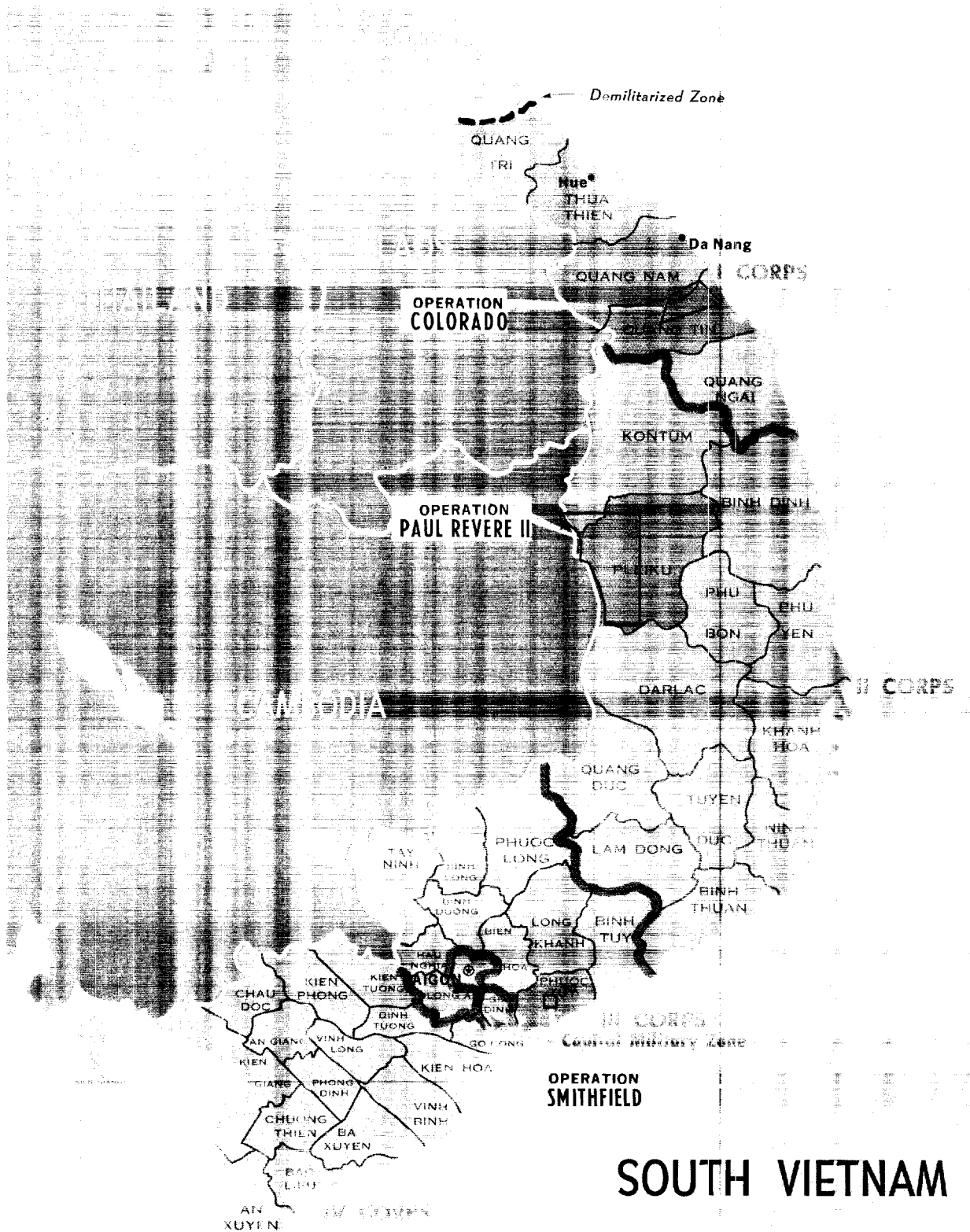
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### Far East VIETNAM

The Communists continue to improve their military posture in South Vietnam's Quang Tri and Thua Thien provinces. Their capability to support a major offensive in this area of I Corps has been only temporarily diminished by recent allied spoiling operations.

The strength of enemy forces in the two northern I Corps provinces ranges from at least five confirmed regiments to a possible seven regiments. In addition, confirmed separate battalions in Thua Thien Province have the capability to operate as a coordinated regiment, and a reserve force of at least two regiments is available in North Vietnam near the DMZ. Although unconfirmed, one regiment and six Vietnamese Communist battalions may be in Laos adjacent to the Quang Tri - Thua Thien area.

Elsewhere, allied forces continued to maintain the military initiative. Australian forces last week scored an impressive victory over the Viet Cong in Phuoc Tuy Province. Total Communist losses for the four-day operation--named SMITH-FIELD--were 245 killed and four captured. Australian casualties were reported as 17 killed and 22 wounded.

Scattered skirmishes between allied and Communist troops were reported as allied forces participating in Operation PAUL REVERE II continued to sweep the western portion of Pleiku Province. US soldiers captured a quantity of 37-mm. antiaircraft ammunition--the first reported instance of the capture of this type of ammunition in South Vietnam.

Operation COLORADO, a multi-battalion US Marine search-and-destroy operation conducted in the coastal flatlands of Quang Nam and Quang Tin provinces ended with a total of 514 Communists killed and 54 captured. A total of 25 Americans have been killed and 177 wounded since the operation began on 5 August.

#### Election Developments

The Viet Cong are apparently making a significant effort to disrupt the election of a constitutional assembly in South Vietnam on 11 September. Communist antielection propaganda, more intensive than that preceding past elections, reached a high point on 21 August when a Liberation Radio broadcast threatened the lives of candidates and government personnel assisting

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in the election process in the Saigon area. Other action by armed Viet Cong units was also alluded to in the broadcast.

Reports of Viet Cong plans to disrupt the elections have also come from the provinces and are of varying degrees of reliability. They range from the seizure of voter identity cards, sabotage of polling places, and interception of ballot boxes to the specific deployment of a well-armed Viet Cong battalion near a populated area in central Vietnam. Few Communist incidents directly associated with the election have been reported thus far, but more can be expected as election day approaches. A continuation of the recent upswing in the number of small-scale Viet Cong attacks and general terrorism could also reduce the voter turnout.

The Buddhist Institute militants are also implementing their call for an election boycott. According to evidence received by the US Embassy, an antielection communique issued by the Institute on 13 August has been transmitted to Buddhist representatives in the delta, and possibly throughout the country. Moderate Buddhists, who presently have little influence on institute policy, feel that the militants

are planning some kind of action to dramatize the boycott, although they do not believe that the militants would dare to resume street demonstrations.

Meanwhile, the US Embassy has reported that government efforts to stimulate voter awareness are showing good results. Normal censorship restrictions will be relaxed and candidates will be given free broadcasting time during the formal campaign beginning on 26 August.

Some 73 percent of the electorate voted in last year's local elections, but in that case national government prestige was less an issue, there was no Buddhist opposition, and the Viet Cong had made far less effort to keep down the vote.

Communists Reevaluate  
Buddhist Resistance

A long commentary serialized over Liberation Radio in early August suggests that the Vietnamese Communists have re-evaluated

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last spring's Buddhist-inspired "struggle movement" and concluded that in the future their Liberation Front should assume a larger and more active role in such demonstrations against the Ky government. The author, writing under a pseudonym, described the Buddhist defiance of government authority in Hue and Da Nang as essentially different from previous antigovernment demonstrations largely because of its anti-American overtones. He recommended that the Communists increase their efforts to penetrate politically significant urban groups such as Buddhists, student organizations, and labor unions in an effort to bring them under effective Communist control and to develop their potential for creating political unrest.

Without voicing any specific criticism of Liberation Front

handling of the Buddhist defiance last spring, the current commentary contrasts with the front's extreme caution throughout the three-month period when the Buddhists were effectively challenging government authority. At that time the front cast itself in an observer status, carefully avoiding open cooperation with the Buddhists as well as overt participation in the demonstrations. Both front and North Vietnamese Government officials privately spoke in disparaging terms of the Buddhist leadership, and front propaganda was restricted to inviting the struggle forces to join the front. The front mounted no independent political or military initiative which would significantly divert government forces or assist the Buddhists.

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## CAMBODIA'S BORDER PROBLEMS

Cambodia is moving closer to a border agreement with the Viet Cong's National Liberation Front, although there are still differences to be resolved.

In a 19 August press conference, Sihanouk said that negotiations with the Viet Cong

were already under way and that a border agreement would probably be signed before the end of the year. He claimed that the Viet Cong had agreed to recognize Cambodia's sovereignty over certain small islands lying between Phu Quoc Island and the Cambodian coast, whose disposition has long been at issue between Phnom Penh and Saigon.

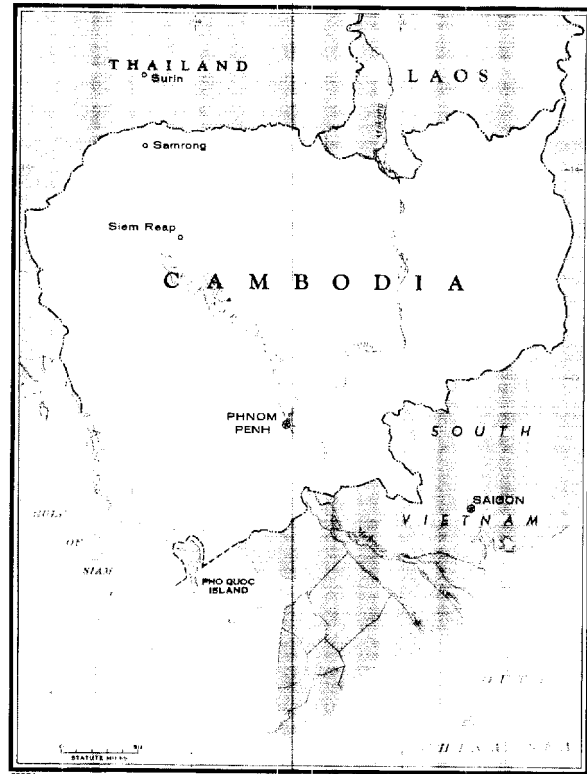
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Sihanouk alluded, however, to certain "difficulties" which remain to be negotiated. He claimed that the Viet Cong were asking "guarantees" for the Vietnamese community in Cambodia. If so, the Communists are presumably countering Sihanouk's long-standing demand that ethnic Cambodians living in South Vietnam be afforded special status. This issue apparently contributed to the failure of border talks in 1964.

Another possible point of contention is Sihanouk's apparent desire that the agreement be signed in the name of his Sangkum party and the National Liberation Front as "representatives" of the Cambodian and Vietnamese people. He indicated that there was some question of whether the front constituted a "government" and argued that a people-to-people agreement might be more binding on a future government in Saigon.

His relatively cautious remarks, particularly when he argued that Saigon's refusal to negotiate left no other choice, indicate continuing apprehension over possible repercussions of signing an accord with the Viet Cong. By holding out for a quasi-official agreement, Sihanouk presumably hopes to dampen its impact in Saigon.



In his 19 August remarks Sihanouk also expanded on what the Viet Cong would get in return for agreeing to Cambodia's version of its border with South Vietnam. He said that a front delegation would be accorded "diplomatic status" in Phnom Penh; front delegations in other countries have been given only quasi-diplomatic status.

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## DE GAULLE EXPECTED TO MAKE MAJOR VIETNAM SPEECH IN CAMBODIA

De Gaulle will probably use his 31 August - 2 September stay in Cambodia as a platform for a major policy speech on Vietnam. Cambodia's neutrality, its proximity to Vietnam, and the parallel interest both Sihanouk and De Gaulle have in resolving the crisis combine to make this visit a suitable occasion for such a speech.

De Gaulle's pronouncements are expected to be harsher in tone than heretofore, and may spell out in greater detail than before the conditions he considers must be fulfilled before negotiations over Vietnam can take place. French Foreign Ministry spokesmen as well as knowledgeable French journalists expect De Gaulle to be more outspoken than previously in his criticism of "outside"--i.e., US--intervention. These sources also believe the general will condemn in stronger terms than heretofore alleged US escalation of the war and the bombings of North Vietnam, stressing that US policies carry the danger of extending the war far beyond its present theater.

De Gaulle may also outline his views on the timing of a US troop withdrawal--views which he hinted at during his July conversations with the King of Laos--and indicate whether he believes a neutrality policy should apply to North Vietnam as well as South Vietnam. Finally, De Gaulle might

for the first time publicly call for participation of all Vietnamese factions in any future negotiations.

The French have publicly stated many times their position that an international conference should be convened to negotiate an agreement incorporating a cease-fire, the withdrawal of foreign forces, and the eventual reunification of North and South Vietnam.

Since his first call for an international conference in July 1964, De Gaulle has engaged in a series of public and private activities both to improve the prospect for negotiations and to ensure a prominent French role.

The expected Cambodian speech would be another effort directed at the same end. It is unlikely, however, that De Gaulle will take the further step of advancing concrete proposals at this time.

conditions are not ripe for such an initiative and De Gaulle is probably no more willing than before to engage his prestige without some degree of certainty of success.

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## NEW SHIFTS IN CHINESE COMMUNIST POWER STRUCTURE

Profound changes in the power structure of the Chinese Communist Party have apparently taken place, the most significant being the breakup of that group of leaders who had run the party machinery for more than a decade. A possible new politburo lineup, headed by Mao Tse-tung and Defense Minister

Lin Piao, was unveiled at a rally held in Peking on 18 August (see inset). The situation, however, is still highly unstable and more changes may be in prospect.

The new team may be facing strong opposition to its attempts to consolidate control. On

### CHANGES IN THE CHINESE COMMUNIST PARTY HIERARCHY

#### POSSIBLE CURRENT POLITBURO LINEUP

Based on list of officials attending 18 August rally in Peking

- Mao Tse-tung, Chairman
- ↑ Lin Piao, Vice Chairman
- Chou En-lai, Vice Chairman
- ↑ Tao Chu, new party propaganda chief; probable new politburo member
- ↑ Chen Po-ta, new politburo member; head, cultural revolution team
- ↓ Teng Hsiao-ping, General Secretary
- ↑ Kang Sheng, new politburo member; on cultural revolution team
- ↓ Liu Shao-chi, still chief of state but party rank uncertain
- ★ Chu Te, unimportant party elder
- ↑ Li Fu-chun, economic planner
- ? Chen Yun, once top economic specialist; in disfavor since criticizing leap forward in 1959
- ★ Tung Pi-wu, unimportant party elder
- Chen Yi, Foreign Minister
- Ho Lung, a military man
- Li Hsien-nien, Finance Minister
- (Li Ching-chuan, head of Southwest party bureau; attended a rally in Szechwan province about 18 August)
- Tan Chen-lin, agricultural specialist

#### PREVIOUS POLITBURO LINEUP

This was apparently modified, for first time since 1958, at Central Committee plenum held 1-12 August 1966

- Mao Tse-tung, Chairman
- Liu Shao-chi, Vice Chairman
- Chou En-lai, Vice Chairman
- \* Chu Te, Vice Chairman
- \* Chen Yun, Vice Chairman
- Lin Piao, Vice Chairman
- Teng Hsiao-ping, General Secretary
- \* Tung Pi-wu, party elder
- \* Peng Chen (purged April 1966)
- Chen Yi, Foreign Minister
- Li Fu-chun, economic planner
- \* Peng Te-huai (purged 1959, but not formally removed from politburo)
- \* Liu Po-cheng, inactive general
- Ho Lung, a military man
- Li Hsien-nien, Finance Minister
- Li Ching-chuan, head of Southwest party bureau
- Tan Chen-lin, agricultural specialist

\* Inactive or regarded as unimportant in party power structure as of April 1966

- ↑ GAINED
- ↓ LOST
- HELD GROUND
- ★ UNIMPORTANT

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23 August the authoritative party paper People's Daily declared that a "faction in power" was stubbornly resisting Mao's leadership. Previously Peking had insisted that only a "small handful" of people opposed him. On 21 August the party magazine Red Flag demanded the dismissal "from his official posts and functions" of any person who opposes Mao, "no matter how high his position, how old his standing, and how great his 'fame.'" Similar statements were made in early June when the fall of senior politburo member Peng Chen was publicized.

Mao's apparent decision to name Lin Piao as his successor seems to reflect the aging leader's growing mistrust of other elements in the leadership. On 18 August the party press described Lin as Mao's "close comrade in arms," the only leader to receive this accolade in nearly two years. Chou En-lai was said to be a "comrade in arms" of Mao, but no one else was given even this crumb of appreciation.

In 1964, Peking found occasions to refer to party-machine leaders Liu Shao-chi, party general secretary Teng Hsiao-ping, and Peng Chen--as well as Lin Piao and Chou En-lai--as Mao's "closest comrades in arms," an indication that this group then constituted his inner circle of advisers. Liu Shao-chi, who had been Mao's first deputy in the party since 1945, still

holds his ceremonial job of chief of state, but has clearly been demoted in his party rank. Teng Hsiao-ping also appears to have lost ground, although not as much. An indication of their decline is that neither has been credited with playing any role in the cultural revolution, which is now identified as the most important political program of the day.

Liu, Teng, and their subordinates had long seemed to enjoy Mao's trust, not only because they had a record of personal loyalty to him but also because their radical approach was in accord with his. The major party figures dismissed in recent months--Peng Chen, army chief of staff Lo Jui-ching, and the propaganda chiefs Lu Ting-i and Chou Yang--had seemed to hold similar views.

This presents a puzzling contradiction, especially with respect to policy implications. Mao seemingly is intent on pushing a radical program reshaping society, and is bringing to the fore radical leaders like Tao Chu and Chen Po-ta. There is therefore no satisfactory explanation for his willingness to turn against old comrades who seemed to share his views and to retain or promote men like Chou En-lai and the economic specialists Li Fu-chun and Chen Yun. These men are relative moderates who in the past espoused pragmatic economic views of the kind now condemned as "revisionist."

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## COMMUNIST CHINA'S TRADE LOOKS WESTWARD

China's increasing political isolation from the Communist world is leading to further re-orientation of trade toward the free world.

The trend was first noted in 1965, when about 70 percent of China's total trade of \$3.7 billion was with non-Communist countries and almost 40 percent with the industrial West. Since then, Japan has displaced the USSR as China's leading trading partner. Their total trade in the first six months of 1966 was valued at \$320 million, an increase of 41 percent over the first half of 1965.

Trade with Western Europe also is growing rapidly. In the first five months of this year total trade with the UK rose about 60 percent, with Italy about 30 percent, and with the Netherlands about 25 percent over the same period in 1965.

Grain continues to account for a substantial portion of China's total imports--about 25 percent in 1965. However, there has been a significant growth in imports of capital equipment. Recent imports of machinery as well as complete plants emphasize China's drive to achieve

industrial growth by purchasing equipment incorporating advanced technology. China has signed contracts totaling about \$50 million for steel finishing mills in addition to contracts for complete chemical plants, petroleum refining equipment, computer systems, and other basic industrial hardware. Negotiations are under way with a West European consortium for a \$150-million steel rolling mill and with a Japanese firm for a titanium metal plant. Such equipment is basic to the growth of China's economy and contributes indirectly to its defense industry.

The "cultural revolution" now going on in China could dampen the growth in trade in the last half of 1966.

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## SUKARNO AND INDONESIAN TRIUMVIRATE STILL SPARRING

Indonesian army chief and government head General Suharto continues his plans to reduce President Sukarno's influence, but apparently has no intention of forcibly removing him from office at this time.

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Sukarno, for his part, continues his obstructive tactics. His independence-day speech on 17 August took a line sharply tangential to that of the government, and he insisted that he still holds pre-eminent power. Although he is no longer able to exert any significant influence on national policy, his potential for trouble-making is considerable. His emotional appeal--quite aside from the policies he espouses--remains great in densely populated East and Central Java.

The large National Party (PNI), whose principal strength is on Java, remains loyal to Sukarno, and the PNI's new moderate national leadership has been unable to purge the party of left-wing elements which still control party units in many areas. The PNI is engaged in an intensive ideological and organization program directed toward the 1968 elections and appears to have ample funds. It not only is bringing

into its ranks ex-Communists who have been cleared by the army but, at Sukarno's request, has agreed to admit Communists, particularly members of the youth front. On 19 August PNI youths, armed with knives and chains, repeatedly clashed with anti-Sukarno youth elements in Bandung, West Java; two students were killed.

These youth clashes were at least partially precipitated by virulent student demonstrations protesting Sukarno's 17 August speech. Since the anti-Sukarno activity went considerably beyond approved bounds, the army now has banned all demonstrations in both West Java and Djakarta and will continue to keep a tight check on any activity that could lead to violence.

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The army is holding a seminar of its top leadership in

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Bandung from 25 to 30 August to "harmonize the various steps to be taken in the struggle for developing the new order." It will cover three broad topics; political stability, economic stability, and involvement of the

armed forces in the life and development of the nation.

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### Europe

## SOVIET OIL SALES LOSE GROUND

The Soviet share of the free world oil market is shrinking, particularly in Western Europe where shipments from the USSR have failed to keep pace with expanding fuel consumption. Moscow has, however, increased the volume of its oil shipments to free world destinations, and they remain one of Russia's largest sources of hard currency, earning about \$250 million last year.

Soviet deliveries to underdeveloped countries, frequently under clearing arrangements that do not add to hard currency earnings, are being maintained at substantial levels, assuring a competitive position in markets which will one day be major consumers of oil products. Last year these countries took about one third of all Soviet oil exports to non-Communist countries.

The USSR has programed increasing deliveries of petroleum

to Eastern Europe during the next few years, and these should satisfy most of the rising fuel demands there. Some of these countries, however, already are developing free world sources of supply which will be necessary by 1970 to supplement Soviet deliveries.

While the USSR continues to foster its oil sales program and this year plans its largest oil production increase to date, it also is attempting to keep pace with other developments in the fuel industry. Attention is being paid to the use of natural gas, which looms large in fuel planning for the future. The USSR already has agreements with Afghanistan and Iran for the purchase of natural gas for deficit areas in the Soviet Union. On the other hand the USSR envisages the eventual construction of a pipeline from major Soviet gas fields to Italy.

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## ITALY'S SOCIALIST COALITION PARTNERS NEAR REUNIFICATION

Italy's Socialist Party (PSI) and the Social Democratic Party (PSDI)--which split off from the PSI in 1947--have finished preliminary preparations begun last year to rejoin forces. The reunification--to be completed this fall--will have far-reaching effects on relationships among the country's major political parties, and probably will necessitate some adjustment of ministerial posts within the center-left coalition government, in which both the PSI and PSDI now participate.

The merger of the PSI's 400,000 members and the PSDI's 160,000 will reduce the number of Italian parties of national importance to eight. It will also accentuate the trend evident in recent years toward a complete PSI break with the Communist Party. The prospect of socialist reunification has already helped undercut the Communists' appeal for a "new majority" to govern Italy. The Communists also fear that the emergence of the new party will cause them to lose further power at the local level in areas where the PSI heretofore has joined with them to form governing councils.

The unified socialist party may in time present a challenge to the dominance of its coalition partner, the Christian Democratic Party. Campaigning separately, the PSI and PSDI won a combined total of slightly over 12 percent of the popular vote in the 1963 national elections. By a pooled effort, the new party may be able gradually to improve its position by drawing votes

from both the Christian Democrats, who won 38.3 percent of the vote in 1963, and the Communists, who polled 25.3 percent. The merger will also rule out any future Christian and Social Democratic combination, which in past Italian government crises has been viewed as providing the basis for an alternative to the center-left formula.

A joint PSI-PSDI committee in late July approved the basic documents setting out the new party's political principles, its statute, and temporary rules for its management. The central committees of the two parties will meet on 16 and 17 September to "debate" the agreements. National PSI and PSDI congresses will be convoked between 19 and 21 October and, barring unforeseen difficulties, a socialist constituent assembly will meet on 22 and 23 October to approve formal unification.

At this juncture, there appears to be no major obstacle within either party to formal reunification, but the period before the new party's first congress is likely to be marked by pulling and hauling over organizational problems. These will require considerable attention from the new party's president, PSI leader and Vice Premier Nenni, who may therefore have to relinquish the vice premiership to devote full time to party responsibilities. In any case, both the Christian Democrats and the Communists can be expected to seize any opportunity to try to drive a wedge between the new partners.

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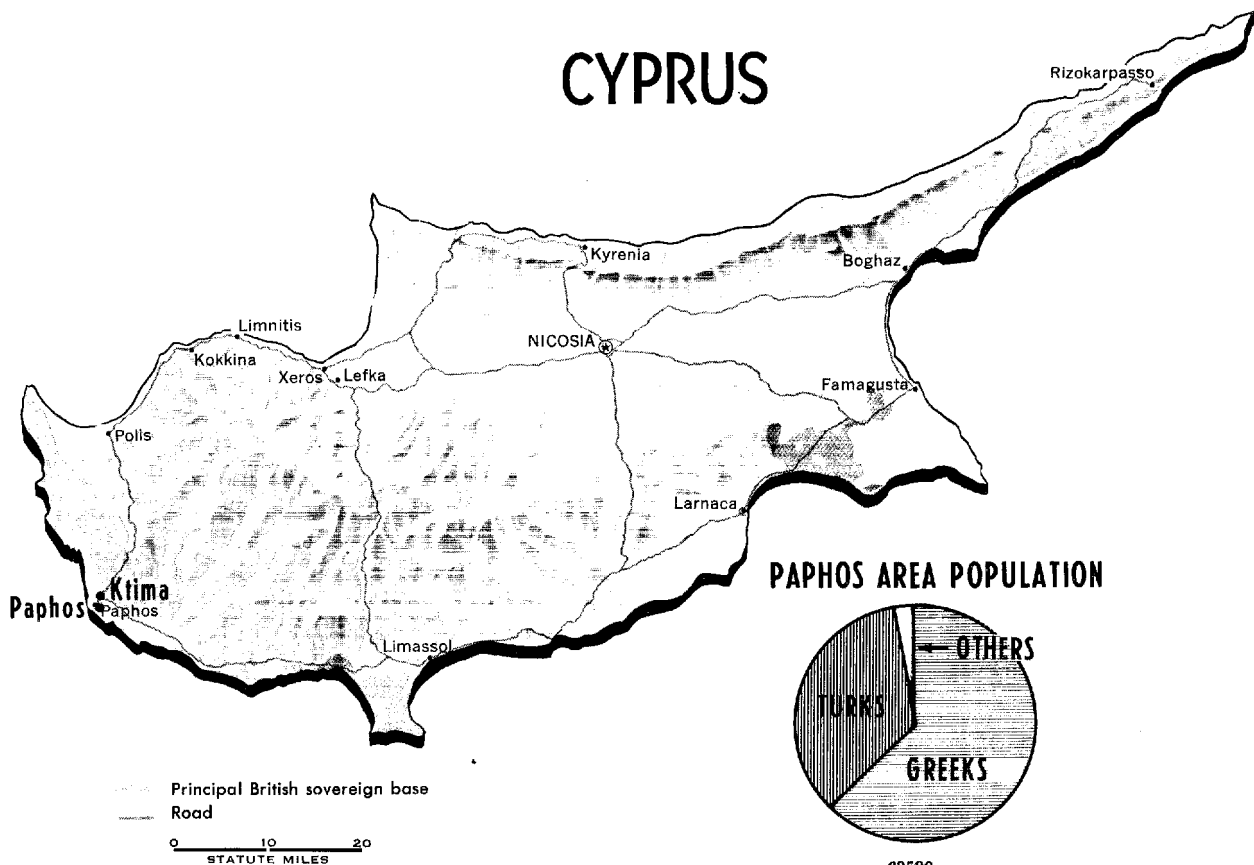
**NEW INCIDENTS ON CYPRUS**

An armed clash between Greek and Turkish Cypriots in the Paphos-Ktima area of southwestern Cyprus was narrowly averted last week, but President Makarios may be unwilling to take the steps necessary to resolve basic problems there.

Tension in Paphos-Ktima stemmed primarily from the shooting of an unarmed Turkish Cypriot youth by a Greek Cypriot policeman on 12 August. The Turks

barricaded the area under their control, refused to admit mixed UN and Greek Cypriot patrols, and cut off the Greek Cypriot police from access to their station in the Turkish sector. They insisted that the Greeks agree to remove the police post permanently.

Makarios was typically adamant. He declared that he would consider removal of the police post only after the situation had returned to "normal."



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The situation eased when the local Turkish Cypriots suddenly agreed to remove their barricades and to permit the reinforcement on 22 August of mixed patrols, apparently with the understanding that the UN would negotiate the removal of the Greek Cypriot police station. UN representatives have since presented a plan to the Cypriot Government proposing negotiations on the problem.

The Turkish Embassy and Turkish Cypriot leaders in Nicosia seem to have strong reservations on the Paphos settlement.

Makarios, however, probably is not averse to continued tension on the island. The US military attaché in Nicosia believes that most incidents in the past month have been instigated by the Greek Cypriots. There is no assurance that Makarios will agree to remove the police post from the Turkish area of Paphos. He has predicted the failure of the Greek-Turkish dialogue and told a UN representative that if the talks were not ended by late September he would issue a declaration of his own that the dialogue had failed.

## MOBUTU SEEKS TO CONTAIN MUTINY IN NORTHEASTERN CONGO

Congolese President Mobutu has deployed army units and sought the support of the commanders of mercenary units to prevent the Katangan mutineers in Kisangani (formerly Stanleyville) from making the thousand-mile trek to Katanga.

There have been indications that the over 2,000 Katangese gendarmes who have gathered in Kisangani may soon attempt to

reach Katanga via Kindu or Bukavu. The Congolese Army (ANC) forces at Kindu have been strengthened but still would be no match for the more effective and better armed Katangans.

The support of the various mercenary units will be the decisive factor in the government's efforts to contain the mutiny. The commander of the South African mercenary unit which has been

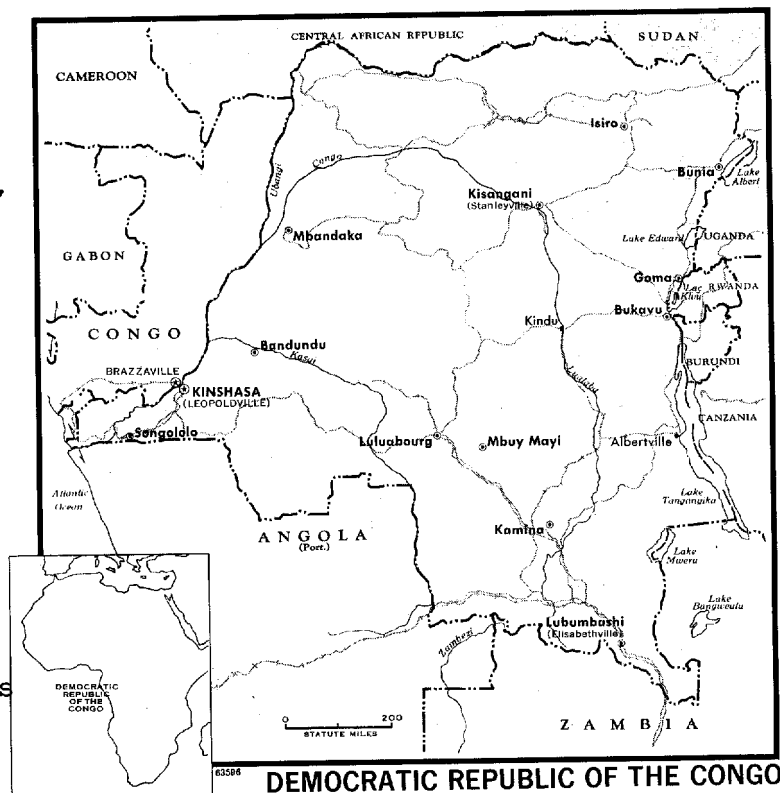
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engaged south of Bukavu against stragglers of the 1964-65 rebellion has indicated that he will assist the ANC. However, he doubts that his troops could hold a stationary position against the advancing Katangese. In contrast, the French-speaking mercenaries in Kisangani and along the route to Katanga have indicated that they would not be willing to impede the mutineers' movement, although so far they have not supported them. These mercenaries say they were recruited to fight rebels and do not wish to get involved in a conflict among government forces. Moreover, many would welcome the return to power of Moise Tshombé, whose connections with the mutiny is still widely rumored.

The old scattered rebel bands are adding to Mobutu's problems. Rebels who had been retreating in mid-July have renewed their activity in some areas of the northeast vacated by the Katangan troops now gathered in Kisangani. Moreover, bickering and indecision continues to plague the ANC high command.

Congo's relations with Belgium also remain troubled. In Brussels, the Belgians are disappointed with recent preliminary exchanges with the Congolese regarding proposed high-level negotiations between the two countries. The Belgians see no basis for proceeding with such talks unless the Mobutu government is willing to permit a free and open



discussion of all outstanding problems.

Notwithstanding this gloomy assessment, Belgium has decided to maintain its current level of technical assistance to the Congo. Although demanding no detailed conditions, Brussels will expect the Congo to guarantee the safety of its technicians and to assure that Belgian businesses will be free of discrimination. Foreign Ministry officials hope to have final government approval of aid plans by 2 September.

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### BRAZIL PREPARES FOR GUBERNATORIAL ELECTIONS

Legislatures in 12 of Brazil's 22 states--including politically important Sao Paulo, Pernambuco, and Rio Grande do Sul--will elect new governors on 3 September. The government has taken steps to ensure election of proadministration candidates in all cases. President Castello Branco has promulgated a decree enforcing party loyalty and can-

celed the mandates of some opposition legislators in several states. The government's actions have aroused widespread, severe criticism of the regime as authoritarian and undemocratic. The only legal opposition party, the Brazilian Democratic Movement (MDB), has decided to abstain not only from the gubernatorial elections but also from the presidential election



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which is to be decided by the federal legislature on 3 October.

The state elections come at a time when the government is under fire from almost all political and economic sectors. Coffee growers and other businessmen are opposed to austere economic policies; some hard-line military officers want stronger action against corrupt politicians; and church leaders in the impoverished northeast have issued a manifesto highly critical of the government's failure to alleviate conditions there. Students and labor have been especially outspoken in recent weeks.

Carlos Lacerda, a volatile leader of the 1964 revolution which ousted leftist president Goulart, has called for united opposition to the regime. In two open letters he recently warned that if the revolution

were not "renovated," Communism would be its eventual successor. He dismissed hope for improvement under retired Marshal Costa e Silva, who as the government's candidate will be elected president. Lacerda may believe that the time is right for him to try to establish his qualifications as leader of the growing but amorphous opposition. He may even believe that he can precipitate a crisis by forcing the government to make a martyr of him.

However, the government appears firmly in control. No one issue unites the administration's disparate critics, and as yet opposition has not coalesced around any one group or leader. There is no evidence of significant plotting against the government, and Castello Branco appears able to count on the continuing loyalty of most of the military.

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## GUERRILLA TERRORISM IN GUATEMALA

Communist guerrillas in Guatemala, who rejected a government amnesty offer in late July, appear to be renewing their terrorism.

During recent weeks there have been three widespread attacks. A former policeman was shot and wounded in downtown Guatemala City; Manuel Orellana

Portillo, a prominent conservative and former president of the national congress, was assassinated in the northeastern Department of Zacapa; and most recently on 19 August, retired Colonel Pedro Cardona and one or more of his companions were killed in Escuintla, southwest of the capital. The Communist Party's action arm, the FAR, has

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claimed credit for all three attacks.



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In view of the FAR's past success in carrying out its threats it can be expected that some of these men will be killed. Although the FAR is only some 200 strong, it apparently plans its actions carefully and executes them professionally. Meanwhile public confidence in the government's ability to protect citizens' lives is being eroded and may again reach crisis proportions, as it did late last year when the FAR and Yon Sosa's 13 November Revolutionary Movement kidnaped four prominent Guatemalans for over \$350,000 ransom. Two prominent officials--the former president of the Supreme Court and the former secretary of information--kidnaped by the FAR on 4 May are still missing.

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In the meantime, according to a FAR communiqué, national congress vice president Hector Menendez de la Riva (now resident in Washington) has also been placed on the assassination "list" because he escaped from FAR capture in early June. US Embassy sources report that other congressmen have also been threatened.

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### **COMMUNIST PARTY OF URUGUAY HOLDS CONGRESS**

The 19th national congress of the Communist Party of Uruguay (PCU) was held from 9 to 13 August with many foreign delegates in attendance. "US interference in Latin America and Uruguay" was the main theme used to set the international tone of the congress. This issue was included in speeches by PCU leaders, by Gus Hall, secretary general of the US party and by Vasily Tolstikov, a member of the central committee of the Soviet Communist Party. Several speakers emphasized the need for each Communist party to determine its own tactical line--an obvious rebuff to the sentiments expressed in Fidel Castro's 26 July speech, to which the PCU had taken exception as unwarranted interference in its affairs.

Uruguay is presently the only country on the east coast of South America in which the Communists could hope to influence national policy through a legal and politically active movement. Serious economic decline and a soaring cost of living in Uruguay are providing them with nearly ideal conditions for promoting disorder and seeking the overturn of the country's traditional institutions. Uruguay is a safe haven for Communists and other leftist political

exiles and a base for their operations in South America.

Aside from its international aspects, the congress was a turning point for the PCU's internal policies with the creation of a streamlined central committee and significant changes in organization and policies. Emphasis was put on the party's developing capability to implement two or more seemingly contradictory tactical lines simultaneously and on the need to provide the nucleus of a paramilitary apparatus. The control commission has been expanded, and there is a new stress on security principles and procedures--probably reflecting the party's fear of a rightist coup.

PCU membership has grown swiftly since the last congress in 1962 from about 10,000 to an estimated 18,000 to 20,000. The party's influence has especially increased in labor and education. In their attempts to increase PCU influence and strength still further, PCU leaders can be expected to cite the successful conclusion of the congress as evidence of the party's dynamism and efficiency.

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